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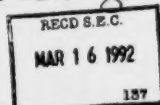
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FORM 10-Q



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92-2274 11W

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549



QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended
January 31, 1992

Commission File Number:

0-19133 ~~0~~ 1-10960

FIRST CASH, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

75-2237-318
(IRS Employer Identification
Number)

600 Six Flags Drive
Suite 518
Arlington, Texas
(Address of principal
executive offices)

76011
(Zip Code)

(817) 633-7296
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes _____ No X (1)

Number of shares of common stock outstanding as of March 11, 1992: 1,795,084

- (1) The Company is in the process of accumulating the necessary pro-forma information relating to recent acquisitions in order to complete the required Form 8-K and will be filed within the next 30 days.

Part I. Financial Information
Item 1. Financial Statements

FIRST CASH, INC.
CONDENSED BALANCE SHEETS

ASSETS

	January 31, <u>1992</u> (unaudited)	July 31, <u>1991</u>
Cash and cash equivalents	\$ 357,539	\$2,412,203
Officer notes receivable	48,750	47,150
Accounts and notes receivable, net	125,893	169,781
Service charges receivable	301,331	121,566
Loans	1,765,237	641,888
Inventories	1,758,456	946,897
Prepaid expenses and other current assets	<u>136,178</u>	<u>76,401</u>
Total current assets	4,493,384	4,415,886
Property and equipment, net	2,509,010	1,570,253
Intangible assets, net of accumulated amortization of \$6,410 as of January 31, 1992	<u>2,420,182</u>	<u>413,527</u>
Other noncurrent assets	<u>40,671</u>	<u>17,816</u>
	<u>\$9,463,247</u>	<u>\$6,417,482</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

	January 31, 1992 (unaudited)	July 31, 1991
Revolving line of credit	\$2,295,000	\$ -
Current portion of long-term debt payable to a related party	12,932	12,932
Current portion of long-term debt	550,281	426,281
Accounts payable	38,033	37,608
Accrued expenses	149,084	88,622
Income taxes payable	119,804	35,318
Total current liabilities	3,164,944	600,821
Revolving line of credit	-	575,000
Long-term debt payable to a related party, net of current portion	223,592	227,071
	<u>3,388,536</u>	<u>1,402,892</u>
Shareholders' equity:		
10% cumulative preferred stock, \$1 par value, 10,000,000 shares authorized, no shares issued or outstanding	-	-
Common stock; \$.01 par value; 20,000,000 shares authorized; 1,795,064 and 1,800,000 shares issued and outstanding, respectively	17,951	18,000
Additional paid-in capital	5,985,802	5,051,146
Retained earnings (deficit)	90,958	(52,558)
	<u>6,074,711</u>	<u>5,014,590</u>
	<u>\$9,463,247</u>	<u>\$6,417,482</u>

See the notes to condensed financial statements.

FIRST CASH, INC.
CONDENSED STATEMENTS OF INCOME
(UNAUDITED)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>January 31,</u> <u>1992</u>	<u>January 31,</u> <u>1991</u>	<u>January 31,</u> <u>1992</u>	<u>January 31,</u> <u>1991</u>
Revenues:				
Sales	\$ 845,620	\$342,813	\$1,344,704	\$542,515
Pawn service charges	429,630	155,094	696,065	303,220
Other income	28,543	10,331	58,403	22,729
	<u>1,303,793</u>	<u>508,238</u>	<u>2,099,169</u>	<u>868,464</u>
Cost of goods sold and expenses:				
Cost of goods sold	509,653	212,327	806,045	387,439
Operating expenses	486,459	178,009	778,162	355,264
Interest expense	17,029	22,422	30,890	42,644
Depreciation and amortization	26,734	15,000	47,460	30,000
Administrative expenses	103,672	45,758	208,812	78,518
	<u>1,143,547</u>	<u>473,516</u>	<u>1,871,369</u>	<u>893,865</u>
Income before income taxes	160,246	34,722	227,800	74,599
Provision for income taxes	59,291	10,136	84,286	21,782
Net income	<u>\$ 100,955</u>	<u>\$ 24,584</u>	<u>\$ 143,514</u>	<u>\$ 52,817</u>
Net income per common share	<u>\$.06</u>	<u>\$.04</u>	<u>\$.09</u>	<u>\$.06</u>
Weighted average common shares and common stock equivalents outstanding	<u>1,661,750</u>	<u>700,000</u>	<u>1,631,636</u>	<u>700,000</u>

See the notes to condensed financial statements.

FIRST CASH, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	<u>Six Months Ended</u>	
	<u>January 31, 1992</u>	<u>January 31, 1991</u>
Cash flows from operating activities:-		
Net income	\$ 143,514	\$ 52,817
Adjustments to reconcile net income to net cash used for operating activities:		
Depreciation and amortization	47,460	30,000
Increase in operating assets	(511,940)	(257,998)
Increase in operating liabilities	<u>145,123</u>	<u>67,772</u>
Net cash flows used for operating activities	<u>(175,843)</u>	<u>(107,409)</u>
Cash flows from investing activities:		
Net increase in loans	(343,434)	(99,858)
Purchases of property and equipment	(547,807)	(20,313)
Acquisition of existing pawnshops	<u>(2,828,101)</u>	<u>-</u>
Net cash flows used for investing activities	<u>(3,719,342)</u>	<u>(120,171)</u>
Cash flows from financing activities:		
Increase in debt	1,840,521	279,718
Increase in prepaid public offering expenses	-	(155,334)
Increase in accrued public offering expenses	<u>-</u>	<u>50,000</u>
Net cash flows provided by financing activities	<u>1,840,521</u>	<u>174,384</u>
Decrease in cash and cash equivalents	(2,054,664)	(53,196)
Cash and cash equivalents at beginning of the period	2,412,203	82,485
Cash and cash equivalents at end of the period	<u>\$ 357,539</u>	<u>\$ 29,269</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	<u>\$42,043</u>	<u>\$52,644</u>
Cash paid during the period for federal income taxes	<u>\$ -</u>	<u>\$35,926</u>
Supplemental disclosure of noncash investing and financing activities:		
During the period ending January 31, 1991 the Company issued common stock in connection with the acquisition of certain pawnshops	<u>\$916,607</u>	<u>\$ -</u>

See the notes to condensed financial statements.

FIRST CASH, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all disclosures and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying condensed financial statements contain all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the financial position, results of operations and cash flows as presented herein. Operating results for the period ended January 31, 1992 are not necessarily indicative of the results that may be expected for the full fiscal year.

NOTE 2 - FEDERAL INCOME TAXES

The provision for federal income taxes in the accompanying condensed financial statements has been calculated based upon the Company's estimate of its anticipated effective tax rate for the full fiscal year.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Company's revenues and earnings are primarily derived from interest earned on pawn loans ("loans") and the resale of unredeemed goods. Loans are made for 30 days with an automatic sixty-day extension period and collateralized by tangible personal property. Interest for the 30 day term is not reduced by prepayment. After the 30 day term, interest accrues daily until the loan is paid or the collateral is forfeited. Maximum allowable interest rates are set annually by the Texas Consumer Credit Commission and range from 12% to 240% on an annualized basis, depending on the amount of the loan. On loans not paid after the expiration of the automatic extension period, the underlying tangible personal property ("unredeemed goods") is forfeited and held for resale.

The Company had six pawnshops open the entire six months ended January 31, 1991. The Company began the six months ended January 31, 1992 with eight pawnshops. Three pawnshops were acquired in late October 1991 while one new store was opened in early November 1991. On January 31, 1992, the Company acquired three stores and opened one new store. Therefore, the Company had twelve stores in operation during the six months ended January 31, 1992 and sixteen stores as of January 31, 1992.

The Company has experienced significant increases in revenue in the second quarter of fiscal 1992 as compared to the second quarter of fiscal 1991 and in the six months ended January 31, 1992 as compared to the six months ended January 31, 1991. Such increases are primarily due to having six more pawnshops open during the six months ended January 31, 1992 than in the same period in fiscal 1991 and the maturity of existing pawnshops.

While the Company has incurred significant increases in revenues due to pawnshop openings, the Company has also incurred increases in operating expenses attributable to the new pawnshops, increases in administrative expenses attributable to establishing a management team and supporting corporate staff associated with the Company's growth.

Inventory turnover has not been stressed by the Company in previous periods because inventory was needed to stock new stores being opened by the Company. In the future, the Company expects to grow more by acquisitions than by opening new stores. Accordingly, the Company has begun to place greater emphasis on sales and will increase its use of wholesaling as necessary to move its inventory.

Six months ended January 31, 1992 compared to the six months ended January 31, 1991

Sales of goods for the six months ended January 31, 1992 were \$1,344,704 compared to \$642,515 for the same period in fiscal 1991, or an increase of \$702,189 or 109%. The increase is attributed to having six more pawnshops open in fiscal 1992 than in the fiscal 1991 and growth in existing pawnshops.

The cost of goods as a percentage of sales of goods declined from 60.3% for the six months ended January 31, 1991 to 60% for the same period in fiscal 1992 as the Company began realizing the effects of streamlining and centralizing the jewelry operations.

Pawn interest income was \$698,085 for the six months ended January 31, 1992 compared to \$303,220 for the same period in fiscal 1991, an increase of \$394,865. The increase in interest income resulted from growth in aggregate outstanding loan balances primarily due to the increase from six to twelve pawnshops and increases in average loan balances per pawnshop at the end of the respective periods.

Operating expenses, those expenses which are directly related to the operation of the Company's pawnshops, increased from \$355,264 for the six months ended January 31, 1991 compared to \$778,162 for the same period in fiscal 1992, an increase of \$422,898 or 119%, as a result of operating six additional pawnshops. Interest expense decreased by \$11,754 or 27.6%, as a result of the fact that the Company had increased cash available from its initial public offering to reduce short-term borrowings. Administrative expenses increased \$130,294 or 166% primarily as a result of increasing the corporate staff to support operations.

As a result of these factors net income increased by \$90,697 or 172% for the six month period ended January 31, 1992 compared to the same period in fiscal 1991.

Second quarter of fiscal 1992 compared to the second quarter of 1991

Sales of goods for the second quarter of fiscal 1992 were \$845,620 compared to \$342,813 in the second quarter of fiscal 1991, an increase of \$502,807 or 147%. The increase is the result of opening or acquisitions of six new pawnshops and growth in existing pawnshops during the quarter.

The cost of goods as a percentage of sales of goods decreased from 61.9% in the second quarter of fiscal 1991 to 60.2% in the second quarter of fiscal 1992 as the Company began realizing the effects of streamlining and centralizing the jewelry operations.

Pawn interest income was \$429,630 in the second quarter of fiscal 1992, compared to \$155,094 in the second quarter of fiscal 1991, an increase of \$274,536. The increase in interest income resulted from growth in aggregate outstanding loan balances primarily due to the increase from six to twelve Company pawnshops in operation and increases in average loan balances per pawnshop at the end of the respective periods.

Operating expenses, those expenses which are directly related to the operation of the Company's pawnshops, increased from \$178,009 in the second quarter of fiscal 1991 compared to \$486,459 in the second quarter of fiscal 1992, an increase of \$308,450 or 173%, as a result of six new pawnshops. Interest expense decreased by \$5,393 or 24%, from the second quarter of fiscal 1991 to the second quarter of fiscal 1992 as a result of the fact that the Company had increased cash available from its initial public offering to reduce short-term borrowings. Administrative expenses increased \$57,914 or 127% from the second quarter of fiscal 1991 to the second quarter of fiscal 1992 primarily as a result of adding corporate staff to support operations and expenses relating to the fact that the Company is now public. The increase in the provision for income taxes is a result of the increase in income from the second quarter of fiscal 1991 to the second quarter of fiscal 1992.

As a result of these factors net income increased by \$78,371 or 311%, from the second quarter of fiscal 1991 to the second quarter of fiscal 1992.

LIQUIDITY AND CAPITAL RESOURCES

The Company raised net proceeds of approximately \$3,581,000 after deduction of underwriting discounts and offering expenses from its initial public offering of 450,000 units (a unit consists of two shares of common stock and one common stock purchase warrant) which was completed in May 1991.

The line of credit is a revolving credit facility in the amount of \$3,500,000. As of January 31, 1992, the Company had borrowed \$2,295,000 under this line of credit to pay certain costs associated with the Company's acquisitions of pawnshops in fiscal 1992. All amounts outstanding under this credit facility mature on November 30, 1992.

The Company has experienced decreases in cash during the second quarter of fiscal 1992, the second quarter of fiscal 1991, the six months ended January 31, 1992 and the six months ended January 31, 1991. Such cash declines are due to the acquisition of pawnshops, increases in loans, opening costs and operating expenses incurred with the opening of new pawnshops and growth of the pawnshops. Cash is replaced as loans are repaid and sales of inventory and pawn interest income grow with the maturing of the pawnshops.

Management believes the line of credit, together with the proceeds from the public offering, will be sufficient to accommodate the Company's current level of operations for at least the next 12 months. On March 11, 1992, the Company announced that it had entered into a letter of intent to acquire the outstanding common stock of Regent Jewelry & Loan Co. ("Regent"). Regent has five pawnshops and the purchase will be made for a combination of cash and stock. This acquisition is contingent upon the obtaining of adequate financing for such a purchase.

Working capital at January 31, 1992 was \$1,328,440. Management believes that principal and interest payments on loans, sales of unredeemed goods, and the remaining net proceeds of the offering will be sufficient to maintain liquidity for the Company for at least the next 12 months.

PART II. OTHER INFORMATION

ITEM 4. Submission of Matters to a Vote of Security Holders

- a. The annual meeting of shareholders of the Company was held on December 11, 1991.
- b. Directors elected to hold office for a term of one year and until their successors are duly elected and qualified are listed below:

John R. Payne
Phillip E. Powell
Billy R. Delp, Jr.
Robert J. Hudiburg
Tommy F. Abbott, M.D.
Michael A. Fisher
Joe R. Love
Louis E. Gibson

- c. Ratification of Price Waterhouse as the Company's independent certified public accountants for 1992.

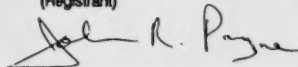
ITEM 6. Exhibits and Reports on Form 8-K.

- a. No exhibits are filed as part of the Form 10-Q.
- b. The Company did not file any reports on Form 8-K during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST CASH, INC.
(Registrant)



Date: March 13, 1992

JOHN R. PAYNE
John R. Payne
Chairman of the Board and
Chief Executive Officer
(Principal Financial and Duty
Authorized Officer of the
Registrant)